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# WAUKESHA COUNTY BOARD

## EXECUTIVE COMMITTEE

JANUARY 20, 2014

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### **Committee Members Present:**

Chair Paul Decker	James Heinrich	David Swan	Peter Wolff
Patricia Haukohl	Duane Paulson	Gilbert Yerke	

### **Others Present:**

Chief of Staff Mark Mader	Chief of Staff Shawn Lundie
Programs and Projects Analyst Windy Jicha	Legislative Policy Advisor Sarah Spaeth
Treasurer Pam Reeves	Director of Public Works Allison Bussler
Budget Management Specialist Bill Duckwitz	Director of Administration Norm Cummings
County Board Candidate Michael Starich	Citizen Mike Frea
Building Operations Manager Shane Waeghe	Hazardous Materials Coordinator Steven Todd
Budget Management Specialist Bill Duckwitz	Director of Parks and Land Use Dale Shaver
Corporation Counsel Tom Farley	Supervisor Kathleen Cummings
Citizen Rodell Singert	Risk/Purchasing Manager Laura Stauffer
Architectural Services Manager Dennis Cerreta	President of Waukesha Preservation Alliance Mary Emery

Decker called the meeting to order at 8:30 a.m. and led the committee in the Pledge of Allegiance.

### **Public Comment**

Emery said she would like Resolution 168-R-007 amended to allow the old health and human services (HHS) building to be sold and remain on site. The county needs to comply with the national and state historical buildings and the City of Waukesha landmarks statutes and regulations. The county could collaborate with private developers to get tax credits to renovate the facility and put it back on the tax rolls. A private developer contacted the city expressing interest in the edifice.

### **Correspondence**

A list of correspondence was distributed. Swan shared a written summary of his experience at the recent Wisconsin Counties Highway Association conference.

### **Approve Minutes of December 9, 2013**

Motion: Swan moved, Heinrich second, to approve the executive committee minutes of December 9, 2013. Motion carried 7-0.

### **Future Agenda Item**

- Invite state legislators to a county board executive committee meeting to discuss Waukesha County's opposition to a regional tax for the construction of a new entertainment arena (Paulson).

### **Legislative Update**

Spaeth said Waukesha County is supportive of two bills circulating related to Treatment and Alternatives Diversion (TAD) and 9-1-1 funding. The TAD funding bill seeks to increase funding by \$3M. These issues were not included in the recently released legislative chart.

### **Results of the 2013 Tax Foreclosure Process**

Reeves distributed and reviewed a handout titled *2013 Property Tax Foreclosure Statistics* including a review of the tax foreclosure process and 2013 statistics, and the results of the December 13, 2013 auction.

Reeves commented that this is the worst foreclosure season the county has ever had. Nine of the 16 properties acquired in 2013 and appraised at \$537,955 sold for \$303,135. The county retained 13 properties appraised/assessed at \$552,520 including seven that did not sell and six that could not be auctioned due to insufficient legal descriptions.

Per Haukohl's request, Reeves will include the full accounting of actual county expenses associated with foreclosed properties such as plowing and mowing costs in future reports. Haukohl said listing these details would explain net losses in future reports. Reeves said the foreclosure process provided revenues of \$110K but the county lost \$90K providing a net profit of \$20K. Paulson said he is always hopeful the county recoups all costs through the sale of properties, penalties and interest.

In response to Yerke's question, Reeves said unsold properties remain for sale at the appraised value and some go back to auction. Only this committee can change the sale prices. Reeves said tax key LSBT0149.983, which the committee recently reduced the sale price, was not sold and will probably be razed.

The committee discussed how it is not the county's responsibility to find property heirs and the definition of "homestead."

### **Discuss and Consider 168-R-007: Resolution to Sell and Relocate or Tear Down the Old Waukesha County Health and Human Services (HHS) Building**

Bussler reviewed Resolution 168-R-007 and provided historical information about the old HHS building and surrounding property. The property was purchased in the 1970s for expansion of future county operations. Shaver said the Airport Industrial Park was divested back to the tax rolls when the county purchased and designated Moor Downs for campus expansion. Bussler said a portion of the old HHS building was designated to the national and state historical building registers and the Moor Downs buildings and golf course were designated landmarks by the City of Waukesha in 2001. After the new HHS building opened, the county continued to minimally maintain the old HHS building until a decision could be made about future building use. Bussler said at an estimated \$24M, renovating the old HHS building, which would include upgrading mechanical systems and removing asbestos, is too expensive. Design of the new HHS building includes future expansion and increased parking needs. There are no available parking spaces so the building purchaser would have to build a parking structure, which costs tens of millions of dollars. Taking down the old building is the right thing to do to avoid pushing off an expensive project for future generations.

In response to Wolff's question, Bussler said the county may lease the property the old HHS building is located on but not sell it.

Heinrich asked how does the county estimate a sale price for a building with the historical registry ramifications? Shaver said the day after the county board approves this resolution, the county would send notice of intent to impact a landmark to the state and city. Both governments have timelines in their statutes/codes that could be navigated in six months. The county does not need to notify the federal government. Yerke asked do the state or city have any recourse? Shaver said state statutes direct the

county to give notice to the state preservation officer. The state preservation officer reviews and assesses the impact of the project on the property and may enter into negotiations with the county or file a disagreement report. This project will affect the property. Bussler said the state preservation office also notifies the state legislature in case the state wants to help or provide funding. There is no way the state can stop the county in this instance unless the legislature approves a new law.

Haukohl asked could part of the building be saved or used elsewhere? Bussler said “preservation folks” the county had tour the facility commented that the inside of the facility is ruined and beyond preservation. They also commented that the outside of the building is important. The county would be open to saving or using the outer columns and brick or collaborating with anyone willing to do historic preservation or a tribute. Haukohl said there is an opportunity to salvage parts of the building. Shaver said bids will be accepted as is. The county will not have a rummage sale. Bussler said companies that demolish buildings recycle and consider it part of the cost. The county would structure the request for proposal as needed.

K. Cummings distributed and reviewed a proposed amendment to line 57 of the resolution. Additions are underlined.

*THE COUNTY BOARD OF SUPERVISORS OF THE COUNTY OF WAUKESHA RESOLVES that the Administration begin the process of obtaining the appropriate local, state and federal approvals for the sale or relocation of the old Health and Human Services building...*

K. Cummings said the county should consider all options and “outside the box” thinking including a smaller building footprint, selling a portion of the facility or discussing possibilities with the City of Waukesha and developers. K. Cummings also distributed a page from [www.elmwoodcommunities.com](http://www.elmwoodcommunities.com), which shows how a hotel more than 100 years old was renovated into an assisted living facility and said this is an example of how older buildings can be repurposed.

N. Cummings said doing nothing is the county’s biggest liability followed by redeveloping the building. The building is on future developable land of the county’s campus. Decker said his biggest concern is potential liability to tax payers. This resolution gives all entities six months to put forth proposals. Bussler said this resolution is a policy statement. A capital project will be developed and introduced later in the year. Decker said the building has asbestos and mold issues and is a liability that needs to be eliminated as quickly as possible.

Haukohl said regarding lines 30 to 32 of the resolution relating to the structure having significant structural deficiencies and corrosion in beams and panels, Waukesha County needs to be careful and address safety issues. Bussler said the county would not have had employees working in the facility last year if it was not safe.

In response to Paulson’s question, Shaver said the county’s master plan includes campus expansion through the purchase of residential lots along Buena Vista. Paulson said these properties must be purchased at fair market price and include other costs such as relocations. The recent jail expansion took five working class homes and did not expand westward. Is keeping the old HHS building worth tearing down more homes? The county paid for ten years of maintenance after the Northview building was vacated. It is not a good use of resources to continue to pay to maintain an empty building. The county is going to need more land so selling the building and leaving it on site is not the answer.

Motion: Paulson moved, Wolff second, to approve Resolution 168-R-007.

In response to Heinrich's question, Bussler said no minimum bid will be set. She will be happy to have someone purchase the building and eliminate all future costs for the county. Swan said public works has been working for years to get out of the rental business. He respects those that want to explore other options but the direction of the resolution is the right way to go.

N. Cummings said he appreciates K. Cumming's amendment but it is confusing. It is time for the county to move on. K. Cummings said she is distressed the committee will not amend the resolution and that the county met with the city community director and turned down an opportunity to lease the building.

Motion carried 7-0.

**Discuss and Consider Ordinance 168-O-080: Implement Fiduciary Safeguards for Waukesha County Historical Museum (WCHM) 2014 County Funding**

Wolff said two months ago the county board approved a budget that included \$150K for the WCHM. This ordinance, which sets funding disbursement parameters, was developed because of concerning information that has surfaced about the continued operations of the organization and a soon-to-be released audit. The ordinance does not change the funding amount but rather allows the county to evaluate and react to the soon-to-be released audit report. Wolff said it is important for the county to be prudent. He does not want to cut funding unless it is warranted.

N. Cummings said administration is supportive and thankful for the ordinance. In the past, the county distributed 60% of the funding in January and the remainder in June as long as if WCHM could show it was open a certain number of hours per week and had so many visitors per year. The county needs to be assured WCHM will have sufficient cash flow throughout the year. Decker said he met with acting executive director Dan Finley and WCHM board president Tom Constable about the financial challenges of the organization and the audit. They are aware that the issues should have come to light sooner and been taken care of months ago.

Wolff asked when will the audit be released? N. Cummings said it will be released by the end of January.

WCHM board member Yerke gave the committee an update. He said the museum board is meeting January 21, 2014 for a presentation of the preliminary audit results. The audit will be given to Waukesha County's administration and the appropriate county board committees when it is completed. WCHM is not happy with the proposed ordinance but can live with it. WCHM is making a serious attempt at financial security. Part of the organization's cash flow problems are related to the county's lowered contribution. He is hopeful the City of Waukesha and other political groups see the value in the building and organization. WCHM recently received a large anonymous donation to cover all of the unpaid bills from the Les Paul exhibit and the WCHM board hopes to find an executive director with experience in fund raising.

Yerke asked what parameters, metrics or benchmarks is the county looking for in the audit report? N. Cummings said a lot has happened with the organization since the last audit, which was conducted in June 2012. Much of the recently released, questionable financial information became known when the former executive director left the organization. The county does not want the building back but is willing to cooperate with the City of Waukesha. N. Cummings said he hopes WCHM will have a turn around.

Haukohl said she applauds Wolff's attempt to save the county's investment but she has concerns. Haukohl thought Waukesha County's administration analyzed the organization's financial viability annually and

Yerke's appointment on the WCHM board was to further safeguard the county's investment. N. Cummings said the county evaluates the organization's financials annually but there is limited value to the data since the organization lives "hand to mouth." A lot can happen between audits. The WCHM board's recent discovery of the organization's financial issues has caused them to seek different internal controls and safeguards.

Swan said he supports the ordinance and wondered if there are any reasons the county's funding would be stopped in 2014? N. Cummings said county funding would stop if it is believed the organization will not remain open for the remainder of 2014. The county does not want to "push them over the cliff" but also does not want to pay for past mistakes. N. Cummings said he would provide progress reports to the county board. Yerke said the WCHM board will review policy for errors and omissions and make changes as needed. The WCHM board feels things are slowly improving and has asked the auditors to provide cash flow projections.

Paulson said the recently revealed information is embarrassing to those who pushed for county funding. He is happy that Yerke will continue to be involved with the WCHM board. Yerke said the WCHM board has to make changes. The county's reduced funding was an opportunity for the organization to realize change was needed.

Motion: Wolff moved, Haukohl second, to approve Ordinance 168-O-080. Motion carried 7-0.

**Determination of Appraised Value for Tax Foreclosed Property Under Code Section 6.44(c) Formerly Known as Griddler's Café at N88W16747 Appleton Avenue, Menomonee Falls (Tax Key MNFV 0011.234)**

Farley explained the in rem process including the county's responsibilities according to state statutes. Tax key MNFV 0011.234 was tax delinquent for several years beyond normal expectations when the county had it appraised and put up for public auction. When the property did not sell, it was determined that the \$124K appraised price did not take into account several disclosed problems that make the property less than desirable such as four underground tanks that need to be removed and the high likelihood of lead paint and asbestos. The county has already spent \$78K on the property in invested taxes, principal, interest, appraisals, title clearance, maintenance, etc. and more would be needed to update the building to a saleable condition and continue basic maintenances (plowing and mowing). The building may need to be torn down to make it viable which would include additional costs for lead and asbestos remediation. The Village of Menomonee Falls is very interested in getting the property back on the tax rolls and is willing to invest in its redevelopment. The Village of Menomonee Falls has agreed to purchase the property for \$78K knowing that more money will need to be spent to make the property saleable. Farley said he is asking the committee to set the appraised value of the property at \$78K. Adjacent properties owners will be notified of the new appraisal and can bid on the property.

Motion: Swan moved, Haukohl second, to set the appraised value of tax key MNFV 0011.234 at \$78K.

In response to Paulson and Yerke's questions, Farley said the Village of Menomonee Falls is aware of the liabilities associated with the property and agreed the cost (\$78K) is fair. Haukohl said the sale price should cover all of the county's expenses.

Motion carried 7-0.

**County Board Committee Reports by Committee Chairs for the Following 2013 and 2014 Meetings:**

Land Use – December 10 – Heinrich reported the committee approved six ordinances that were later approved at the December county board meeting.

Finance – December 11 – Haukohl said the committee approved seven fund transfers, a contract procurement process and five ordinances. The committee also heard reports on special revenue and proprietary funds.

Health and Human Services (HHS) – January 16 – Yerke said the committee approved three ordinances and heard reports on the Community Health Improvement Plan process and cooperative HHS and jail services.

Human Resources – December 17 – Paulson said the committee approved two ordinances and classifications specifications for administrative and fiscal support.

Public Works – January 16 – Swan said the committee approved three ordinances, a resolution and a bid for the jail air handling unit project and discussed road clearing techniques and related statistics.

Judiciary – December 17 and January 17 – Wolff said the committee heard reports on the following topics: courthouse security, sheriff's department dive team, digital radio system project and victim/witness assistance program.

Motion: Yerke moved, Swan second, to adjourn the meeting at 10:37 a.m. Motion carried 7-0.

Respectfully submitted,

Peter Wolff  
Secretary